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PUBLIC EMPLOYMENT
RELATIONS BOARD

REPORT OF THE FACT-FINDER

In the Matter of the Fact-finding Between

**CLARKE COUNTY, IOWA SECONDARY
ROADS DEPARTMENT**

and

**INTERNATIONAL BROTHERHOOD OF
TEAMSTERS, CHAUFFEURS,
WAREHOUSEMEN & HELPERS OF
AMERICA, LOCAL NO. 147**

Hearing: August 18, 2004

Report: August 28, 2004

Sharon K. Imes, Fact Finder

**Appointed through the Iowa Public
Employment Relations Board**

APPEARANCES:

Renee Von Bokern, Von Bokern Associates, Inc., appearing on behalf of Adair County and its Secondary Roads Department.

Michael Stanfill, Business Agent, International Brotherhood of Teamsters, Chauffeurs, Warehousemen & Helpers of America Union appearing on behalf of Local Union No. 147.

BACKGROUND AND JURISDICTION:

Clarke County and its Secondary Roads Department, hereinafter referred to as the County or the Employer, and Teamsters Local Union No. 147, hereinafter referred to as the Union, are parties to an agreement effective July 1, 2001 through June 30, 2004. In negotiating the agreement to commence July 1, 2004, impasse was reached on seven issues.

Pursuant to Section 20.21 of the Iowa Public Employment Relations Act (PERA), the undersigned was selected as fact finder to hear, report and make recommendations on the matters remaining in dispute. The hearing was convened on August 18, 2004. At that time, both parties present were given full opportunity to present oral and written evidence and to make relevant argument.

ISSUES IN DISPUTE:

The parties remain at impasse on the following issues – recall rights; length of job postings; layoff and recall language; sick leave; allocation for safety shoes; insurance and wages.

POSITIONS OF THE PARTIES:

Prior to reaching impasse in this dispute, the parties met in negotiations several times and also attempted to mediate this dispute. No tentative agreement was reached through these processes, however. As a result, the Union proposes to amend six contract provisions and a 7% increase in wages while the County proposes to alter the health insurance benefits provided to these employees and a 0% increase in wages.

With respect to Articles 7, 8, 9, 11 and 18, the Union seeks changes in those provisions that were proposed by the County as part of a settlement proposal. Specifically, the Union asks that the twelve month recall rights upon layoff be increased to eighteen months in Article 7; that job openings be posted for five calendar days rather than the three days currently stated in Article 8; that language in Article 9 be amended to reflect that the County agrees to layoff part-time and temporary employees before laying off full-time employees; that Article 11 include a provision that allows employees who have accumulated a maximum of 90 days sick leave to convert sick leave to vacation days, and that the amount provided for the purchase of safety shoes in Article 18 be increased from \$30.00 to \$60.00 annually. In addition, the Union seeks to maintain the status quo with respect to health insurance benefits and to increase wages across-the-board by 7%. The County, however, proposes to alter the health insurance benefits by adopting a new health insurance plan that increases the current deductibles from \$250 (single) and \$750 (family) to \$500 (single) and \$1,500 (family); that modifies the current PPO/Non-PPO of 90/70 to a PPO/Non-PPO of 80/60; that increases the employee out-of-pocket amount from \$1,000 (individual) and \$2,000 (family) to \$1,500 (individual) and \$3,000 (family); that increases the payment for physician visits from \$10 per visit to \$15 per visit and that increases the prescription drug contributions from \$5/15 to \$10/25/40. In addition, the County seeks no increase in wages for these employees.

In addition to other arguments, both parties rely upon a comparison of employees doing similar work in similar counties as support for their respective positions. The Union relies upon geographic proximity and demographics that include population, population growth, median incomes, number of square miles to be maintained within each county; the population per square

mile and the number of employees providing these services within each county to establish comparability. Based upon these factors it proposes seven counties as primary comparables. The counties are Warren, Madison, Union, Lucas, Decatur, Wayne and Ringgold. The County agrees that most of the Union's proposed counties are comparable but excludes Warren and Ringgold counties noting that Warren County is far more populated and that Ringgold County is far less populated than Clarke County. The County also proposes that Adair County be added as a comparable stating that it is similar to Clarke County and within the geographic area of the State. In addition, the Union proposes a secondary set of comparables consisting of counties throughout the State that share similar demographics and a statewide comparison.

In support of its position with respect to Articles 7, 8, 9, 11 and 18, the Union relies not only upon the fact that the County had offered these amendments during negotiations but also upon comparisons made with the primary and secondary comparables. With respect to the health insurance dispute, the Union declares that while it prefers no change it would not oppose the benefit changes the County seeks if the premium co-pay were changed from 65/35 to 80/20. And, as for wages, the Union seeks a 7% across the board increase in wages based upon a need for "catch up".

The County, on the other hand, maintains that its proposed changes to Articles 7, 8, 9, 11 and 18 were made as part of a total settlement package proposal and that since the Union did not accept that proposal, there should be no changes in these provisions. As for its insurance proposal, the County declares that it has sought to change the current insurance policy specifically because the costs for that policy has increased by 40% and it cannot afford such an increase in benefit costs. The County also asserts that there should be no increase in wages since the wages it pays its employees are similar to the rates paid other employees in other counties performing similar work and since the only employees who received significant wage increases among the other counties were those who also agreed to significant changes in health insurance benefits.

DISCUSSION AND RECOMMENDATIONS:

The Public Employment Relations Act provides no specific guidelines to consider in making fact-finding recommendations. It does set forth, however, criteria to be considered in determining the reasonableness of the parties' offer under binding arbitration under Section 20.22. Therein, the law states the following factors should be considered relevant: past collective bargaining contracts

between the parties including the bargaining that led up to such contracts; comparisons of wages, hours and conditions of employment of the involved employees with those of other public employees doing comparable work; any factor peculiar to the area and classifications involved; the interests and welfare of the public; the ability of the public employer to finance economic adjustments and the effect of those adjustments on the normal standard of services, and the power of the public employer to levy taxes and appropriate funds for the conduct of its operations. Since the parties may proceed to arbitration if this dispute is not resolved following receipt of this fact-finding report, it is appropriate that these same factors be considered in reaching a fact-finding recommendation.

After reviewing the evidence, the arguments of the parties, considering the criteria set forth in Section 20.22 and assigning weight, where possible, to that criteria, the following recommendations are made:

Article 7: It is recommended that there be no change in this provision.

This recommendation is based upon the fact that the Union failed to show that the current provision causes any adverse impact upon its employees and the fact that a review of this provision among the comparables indicates the standard is twelve months.¹

Article 8: It is recommended that the Union's proposal be adopted.

While there is merit in the County's argument that these changes should not be made since they were proposed by it as part of a settlement package offer, the comparables indicate that a five-day posting is typical among the comparables and that no comparable county has less than a five-day positing period.

Article 9: It is recommended that there be no change in this provision.

A review of the evidence in the record indicates that Clarke County has a layoff and recall provision that is substantially different from the provisions that exist among the comparables. A review of the provisions among the comparables establishes that the standard is a one-year recall period. In Clarke County, the period of time in which an employee can be recalled has not been established. Instead, the contract provides that if qualifications, skills, abilities and knowledge are equal, employees will be laid off on the basis of seniority and that they will return to work in the

¹ Based upon geographic proximity and other demographics, Madison, Union, Lucas, Decatur and Wayne counties shall constitute the primary comparables. It is also concluded that there is no need to make secondary comparisons or to consider statewide data in most instances.

reverse order in which they are laid off if they are qualified to perform the work. Since this provision substantially differs from the provisions among the comparable counties, it is more appropriate that changes to this language be the result of bargaining and not the result of a fact-finding recommendation.

Article 11: *It is recommended that this article be amended to reflect the County's policy of allowing employees who have accumulated ninety days of sick leave to exchange additional days of sick leave for vacation days based upon a ratio of four sick leave days to one vacation day up to a maximum of ten vacation days.*

There is merit in a proposal that encourages employees to accumulate sick leave when possible and a proposal to exchange sick leaves days accumulated beyond a ninety-day maximum for vacation days (or pay) provides such an incentive. Further, since this benefit exists for a majority of employees within the County, it is concluded that this benefit should also exist for this bargaining unit. The Union's proposed language is not recommended, however, since it does not reflect the benefit that is received by the other employees within the County. Based upon this fact, it is recommended that the County's existing sick leave/vacation policy for non-bargaining unit employees rather than the language proposed by the Union be adopted.

Article 18: *It is recommended that there be no change in this proposal.*

Although a review of the comparables indicates that employees within the other counties receive a greater "allowance" than the \$30 allocated for shoes in Clarke County, the record also establishes that allocations among the comparable counties are generally for safety glasses rather than shoes. Since this is not a valid comparison and no evidence supporting the need for an increase in this amount was provided any change in this provision should be accomplished through bargaining.

Article 15 - Insurance Recommendation: *It is recommended that the County's proposal be adopted.*

The above recommendation is based upon the fact that the 40% increase in the cost of providing the current health insurance benefits demands a change in either the benefits or the employee's participation in the cost of providing that benefit. It is also based upon the fact that the County's proposal is in place for all other employees within the County, including the other

bargaining unit.² In making this recommendation, it is recognized that adopting this proposal will result in a greater "out of pocket" expense for the bargaining unit members who needs medical care, particularly if the employee or an employee's family member covered by the policy has a significant health problem.

Offsetting this impact, however, is the fact that the County's proposed change will result in a monthly "ghost" saving of \$46.64 to the employees even though their actual premium participation cost will go up by \$23.17. This finding is based upon the fact that if the current policy were to remain in place (as the Union seeks) each employee, under the current 65/35 premium co-pay, would contribute an additional \$69.81 toward the cost of maintaining the coverage. Comparing this increase with the increase an employee will assume under the County's proposal indicates that an employee will have more take home pay under the County's proposal than that employee would have if the current benefits were maintained.

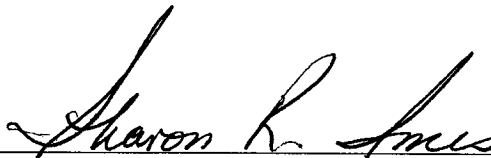
Wage Recommendation: *It is recommended that a 3% across-the-board wage increase be granted the employees in this bargaining unit.*

The County has offered no increase in wages and argues that the employees in this unit are well paid when compared with other employees in similar counties doing similar work. The Union, on the other hand, seeks a 7% increase. The County's argument is not persuasive. Consequently, a 3% across-the-board increase in wages is recommended.

This recommendation is based upon a number of findings. First, the record establishes that all other employees in the County received a 2.2% increase in wages for 2004. Secondly, a comparison of wage increases among those employees performing similar work in similar counties indicates that others received wage rate increases that ranged between 2.1% and 3% and that in Union County the wage rate was increased by 15% to offset a substantial change in health insurance benefit received by those employees. Third, it is determined that since the Employer in this County is proposing a significant change in insurance benefits for this unit the wage rate should reflect a

² Although the evidence allows a comparison of employee contributions toward the cost of family coverage in those counties considered comparable, the evidence does not establish that there is a great disparity between either the benefits or costs employees pay when that comparison is made. Consequently, significant weight is assigned to internal comparables.

quid pro quo, just as the wage rate increase in Union County reflects.³ Fourth, it is recommended that the wage rates be increased by a 3% across-the-board increase since the record establishes that, contrary to the County's assertion, the rates paid the employees in this unit are quite similar to the rates paid employees performing similar work among the comparable counties, therefore a 3% increase would not be out of line. A comparison of the rates paid these other employees with the rates the employees in this unit would be paid after the 3% increase indicates that the County's rank among the comparables would be maintained. And, finally, a 3% increase is not significantly out of line when it is compared with the percentage increase reflected in the consumer price index. While the parties did not provide this number that rate is generally available to consumers and was considered, therefore, when determining the reasonableness of the proposals and the reasonableness of the recommendation.


Sharon K. Imes, Fact-finder

August 28, 2004
SKI:

³ It is recognized that a 2.5% increase does not provide much of a *quid pro quo* for the change in the insurance proposed by the County, particularly when compared with the increase granted employees in Union County. This number is proposed, however, based upon the fact that all other employees in Clarke County will be covered under the same insurance program offered this unit and they only received only a 2.2% increase in wages.

CERTIFICATE OF SERVICE

I certify that on the 31st day of August, 2004, I served the foregoing Report of Fact Finder upon each of the parties to this matter by mailing a copy to them at their respective addresses below:

Ms. Renee Von Bokern
Von Bokern & Associates
2771 104th Street, Suite H
Des Moines, Iowa 50322

Mr. Mike Stanfill
Business Agent
Teamster Local 147
2425 Delaware Avenue
Des Moines, Iowa 50322

I further certify that on the 31st day of August, 2004, I will submit this Report for filing by mailing it to the Iowa Public Employment Relations Board, 510 East 12th Street, Suite 1B, Des Moines, IA 50319

A handwritten signature in cursive script, reading "Sharon K. Imes", written over a horizontal line.

Sharon K. Imes, Fact Finder